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THE NEXUS: CONFLICT, CORRUPTION AND PEACEBUILDING

Annotated Bibliography

These documents are available through the Colloquium Website at: <http://fletcher.tufts.edu/corruptionconf/>. As new resources are identified, they will added to the bibliography on this site. Please feel free to make additional suggestions of key reading.

Boucher, Alix J., William J. Durch, Margaret Midyette, Sarah Rose and Jason Terry.

Mapping and Fighting Corruption in War-Torn States. Report from the project on rule of law in post-conflict settings. Washington, D.C.: The Henry L. Stimson Center, December 2006.

This Stimson Center paper offers a concise overview of the literature on corruption and measures to combat corruption in post-conflict settings in order to determine key themes and conclusions. By drawing out these conclusions, the study aims to highlight effective measures to fight corruption in post-conflict settings so as to strengthen governance. The paper provides overviews of 1.) factors by which conflict contributes to corruption, 2.) factors by which continuing corruption can lead to increased grievances and re-emergence of conflict, and 3.) best practices in fighting corruption. The report also includes two flowcharts; the first depicts the relationship between the issues underpinning corruption and the second shows the elements within anti-corruption strategies. Lastly, the report includes a case study of Liberia to demonstrate the application of best practices in fighting corruption.

CILE. “Corruption and Anti-Corruption Measures in the Federation of Bosnia and Herzegovina” *Final Report of the Commission of International Legal Experts. 25 February 2000. (Not available on-line)*

The Commission was established by the Prime Minister of the Federation of Bosnia and Herzegovina on 14 September 1999 to investigate the findings of an article on public and private sector corruption in Bosnia originally published on the front page of *The New York Times* on 17 August 1999. Despite finding major flaws in *The New York Times* article, the Commission nevertheless acknowledges that corruption remains a serious problem and proceeds to discuss its causes and

nature in the Federation. In particular, the immediate post-war period and associated lack of infrastructure made it easy for criminals and black-marketeers to avoid customs procedures and evade customs and excise duties. War-time underground networks to evade the sanctions regime have been turned into politico-criminal networks involved in massive smuggling, tax evasion and trafficking in women and stolen cars. Also high on the list of internal causes of corruption in the Federation are confusing and nearly confiscatory taxes and customs duties, a self-defeating effort to sustain adequate government revenues. The results, especially in the context of the Federation's struggling economy, are tax evasion and customs fraud, "double book" accounting, and black markets fed by smuggling. State institutions have proved unable to develop a functional central government, let alone adopt and implement the necessary elements of an effective anti-corruption and organized crime program such as a border patrol and unified customs regimes. The Office of the High Representative has exercised its authority to impose necessary laws that the Parliament has failed or refused to enact, including a number of laws to strengthen the fight against corruption.

Collaborative for Development Action. "Donor Standards in Anti-Corruption Project Case Studies." October 2002

This report is the product of a joint project between the Collaborative for Development Action and the OECD-based Secretariat of the Anti-Corruption Network for Transition Economies. The purpose of the project was to begin the systematic examination of diverse anti-corruption experiences in the regions of Eastern Europe and the former Soviet Union to identify what has been learned that is of use to donors as they support AC work. Seven case studies were completed, Georgia, Armenia, Kosovo, Ukraine, Moldova, Tajikistan and Bulgaria. Collaborative analysis of these case studies highlighted 5 core issues; politicization, conflict and corruption, government / civil society conditions, explicit versus implicit programming and intangibles.

Hussman, Karen. Marie-Ange Bunga. "Case study on the Democratic Republic of the Congo. Anticorruption Projects Limited by Logics of Transition." October 2005

The study analyses experiences and lessons learned from the development and implementation of anticorruption and good governance programmes in the DRC in 2003-2004 by both national and international stakeholders, with a special focus on UNDP. In the first three sections, the paper provides an overview of corruption in DRC, including a brief historical examination of how corruption became deeply rooted in the society and a general analysis of how corruption affects the current institutional context. The latter half of the paper assesses the anticorruption initiatives that have been taken, with a specific look at how the transitional process has effected these initiatives.

Johnston, Michael. "Syndromes of Corruption and Prospects for Peace in Conflicted Societies: Choices for Reformers." Unpublished paper.

Anti-corruption reform is more complicated than we may realize: it is not just a matter of reducing amounts of corruption, but rather entails complex choices among reform measures and a clear sense of timing. Although it would be ideal to transform highly corrupt, closed societies into economically and politically liberal regimes, we may in practice have to aim for halfway situations. This would entail moving a country from a closed system based on repression to one governed by the sharing of spoils and, eventually, to one defined by democratic politics. Four qualitatively different “syndromes” of corruption, based on political participation and strength of institutions, are identified: Influence Markets, Elite Cartels, Oligarchs and Clans, and Official Moguls. States with Influence Markets have mature market economies and open political systems, such as those found in the developed West. Elite Cartels direct reforming democracies marked by growing economic and political competition, as in South Korea and Botswana. Oligarchs and Clans, found in countries like Russia and Mexico, struggle violently for power in an atmosphere of pervasive insecurity born of recent major liberalization. And Official Moguls rule personality- or party-based systems displaying little political liberalization but some economic openings, as in China and the South Caucasus. Anti-corruption efforts ought to be aimed, in the near term, at changing Official Mogul states into Elite Cartels, as a way of avoiding a situation of Oligarchs and Clans, the most violent of the syndromes. This will require taking liberalization slowly and taking up anti-corruption reform in a less confrontational manner, thus reducing elite insecurity. Progress will have been made when violence decreases, politics have seen some openings, the country’s economy has grown and wealth is shared more equitably, and citizen assessments of the quality of government services have improved.

Khan, Mushtaq Husain, George Giacaman and Inge Amundsen (eds). *State Formation in Palestine: viability and governance during a social transformation*. New York: Routledge Curzon, 2004.

The book asks the following question: was the failure in establishing Palestinian state due to poor Palestinian governance, in particular what role did the quality of governance as measured by corruption, rent seeking and the weakness of democracy within the Palestinian Authority play in perpetuating the violence and conflict with Israel? It challenges the idea that all corruption is bad for state formation. It instead argues that in the context of developing countries or in conflict zones, there is an ongoing process of social transformation that should be incorporated to assess governance. It focuses on the transformation capacities of states and the potential of developing these capacities. The book argues that rents are pervasive in all developing countries. In conflict and post conflict situations, the importance of rents for managing political stabilization is even more marked. Therefore, we need to differentiate and examine the determinants of different

types of rents. The task of state building is to attack the institutional and political factors that induce damaging rents. But it should promote arrangement for rents that are essential for economic transformation and political stabilization. In situations where the state is either weak because of the conflict or virtually does not exist there is a need for rent-creation and rent management capacities.

Keen, David. “War and Peace: What’s the difference?” In *Managing Armed Conflicts in the 21st Century*, edited by Adekeye Adebajo and Chandra Lekha Sriram, 1-22. London: Routledge, 2001.

Keen’s main concern in this article is to address the commonalities between war and peace in order to better understand the transitions between the two. He posits that doing away with the traditional view of war as a competition between various sides looking to ‘win’ obscures what war really is. By studying that aims of the parties to a conflict, Keen demonstrates the many continuities that exist between war and peace. Although Keen devotes the majority of his article to deconstructing the traditional view of war and peace, he makes frequent use of corruption as an example of how war may serve as a more conducive environment for pursuing aims that are also prevalent during peace. In particular he makes use of the collusion between the parties to the civil war in Sierra Leone to demonstrate how corruption in peacetime can transform into a collaborative war.

Le Billon, Philippe. “Buying Peace or Fuelling War: The Role of Corruption in Armed Conflicts.” *Journal of International Development* 15 (2003): 413-426. Available at <http://www.geog.ubc.ca/~lebillon/corruption.pdf>

Although corruption may have a corrosive effect on economies and rule-based institutions, it also forms part of the fabric of social and political relationships. This endogenous character means that conflict may be engendered more by changes in the pattern of corruption than by the existence of corruption itself. Such changes, frequently associated with domestic or external shocks, can lead to armed conflict as increasingly violent forms of competitive corruption between factions ‘fuel war’ by rewarding belligerents. Controversially, ‘buying-off’ belligerents can facilitate a transition to peace; but ‘sticks’ such as economic sanctions, rather than ‘carrots’, have dominated international conflict resolution instruments. While ‘buying peace’ can present a short-term solution, the key challenge for peace-building initiatives and fiscal reforms is to shift individual incentives and rewards away from the competition for immediate corrupt gains. This may be facilitated by placing public revenues under international supervision during peace processes.

Le Billon, Philippe. “Overcoming Corruption in the Wake of Conflict.” In *Global Corruption Report 2005*, 73-82. London: Pluto Press, 2005. Available at www.transparency.org/content/download/4270/26215/file/corruption_post_conflict_%20rec.pdf

Corruption plays an important role in the political economy of war. The tolerance for corruption that's built up during war persists into the transition period following the end of hostilities. Post-conflict "national reconciliation" often results in politically driven distribution of state assets, sometimes with a tacit agreement on corruption built into peace accords. Post-conflict environments are particularly ripe for corruption due to the high levels of aid meant for reconstruction. The construction industry, thus, requires special attention in guarding against corruption. Donors are reluctant to fund corrupt governments, so too much corruption may lead to a drying up of assistance where it's badly needed. But corruption can also have positive effects, like buying out "peace spoilers" or authorizing informal economic activities in the short-term, which need to be considered when championing anti-corruption programs that may adversely affect peacebuilding efforts. In general, corruption has more negative consequences than positive, and can be combated with efforts to improve good governance, civil society, and local media.

Mirimanova, Natalia and Diana Klein, ed. *Corruption and Conflict in the South Caucasus*. London: International Alert, 2006.

This report addresses the relationship between corruption and the 'frozen' conflicts in the South Caucasus. It is based on extensive field research and stakeholder interviews in the various countries and regions of the South Caucasus. Applying a conflict analysis approach to the study of corruption in these societies, the authors look at the role corruption plays in prolonging the conflicts and in deterring potential peace-building efforts. The report first focuses on general perceptions of corruption and then examines the different sectors of society that have an interest in retaining the status quo of frozen conflict. In addressing the latter, their research covers perceptions of corruption in trade, military institutions, NGOs and peacekeeping forces. Lastly, the authors deal with the way public opinion is shaped by perceptions of corruption and the difficulties this may propose for the prospects of peace.

O'Donnell, Madalene. "Post conflict corruption: A Rule of Law Agenda?" Draft chapter prepared for International Peace Academy edited volume, *civil war and the rule of law*, forthcoming 2006, not for citation.

The chapter summarizes the literature on corruption, emphasizing the close links between corruption, the rule of law, statebuilding and peacebuilding. It defines corruption as the abuse of public office for a private gain, stressing the close links and reciprocity between corruption and the rule of law. The chapter discusses the economic and political consequences of corruption. The chapter also examines the nexus between corruption and conflict, describing it as bidirectional; corruption contributes to state weakness, impede economic growth and undermine democracy. On the other hand, conflict also feeds corruption as perception of conflict can undermine state accountability and create a suitable environment for state impunity. The chapter then reviews the evolution of international anti-

corruption theory and practice. Three phases have been identified to address the problem of corruption: law enforcement, administrative reforms to prevent corruption and targeting grand corruption. Finally, it examines the applicability of general practice to post-conflict settings.

Tiri. Network for Integrity in Reconstruction research reports. 2007. Available at tiri.org.

Tiri is a London-based organization that strives to improve integrity in institutions in order to strengthen democratic governance, create sustainable development, improve human rights and to help reduce poverty. Tiri recently created a Network for Integrity in Reconstruction that is specifically concerned with investigating corruption and integrity in post-conflict reconstruction. In January 2007 Tiri officially launched the network by releasing surveys and case studies of the impact of post-conflict reconstruction from the eight countries that currently make up the network (i.e. Afghanistan, Sierra Leone, Bosnia, Kosovo, Palestine, Lebanon, Mozambique and East Timor). Tiri also plans to release a set of policy recommendations based on their research in April 2007.

Each of the eight country surveys follows the same template and provides a country overview, corruption profile (including levels, patterns, and causes), anti-corruption efforts and analyzes the institutions throughout the country using a National Integrity System approach. The surveys help to expose institutional impediments to effective reconstruction. Tiri also has released case studies that look at specific governmental or civil society programs involved in reconstruction. The overall picture painted by the research is a lack of appropriate sequencing of reforms, a lack of accountability to beneficiaries, and a general failing to include integrity as a key principle in reconstruction.